

eMPF Platform Project

Objective

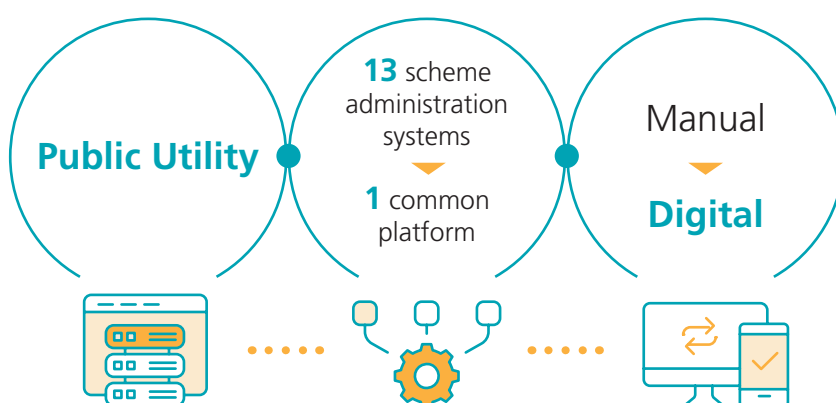
The Government and MPFA are building a digital eMPF Platform which will streamline MPF scheme administration, enhance user experience, improve efficiency and reduce the overall costs of the MPF System.

Currently, the administration of MPF schemes operates under a highly decentralized landscape, i.e. 4.7 million scheme members with about 10 million accounts under 27 MPF schemes administered by 13 trustees involving 13 scheme administration platforms with different

standards. The multiple business models, data standards, process designs, high volume of paper-based transactions and administration system infrastructure make it difficult to achieve standardization and economies of scale.

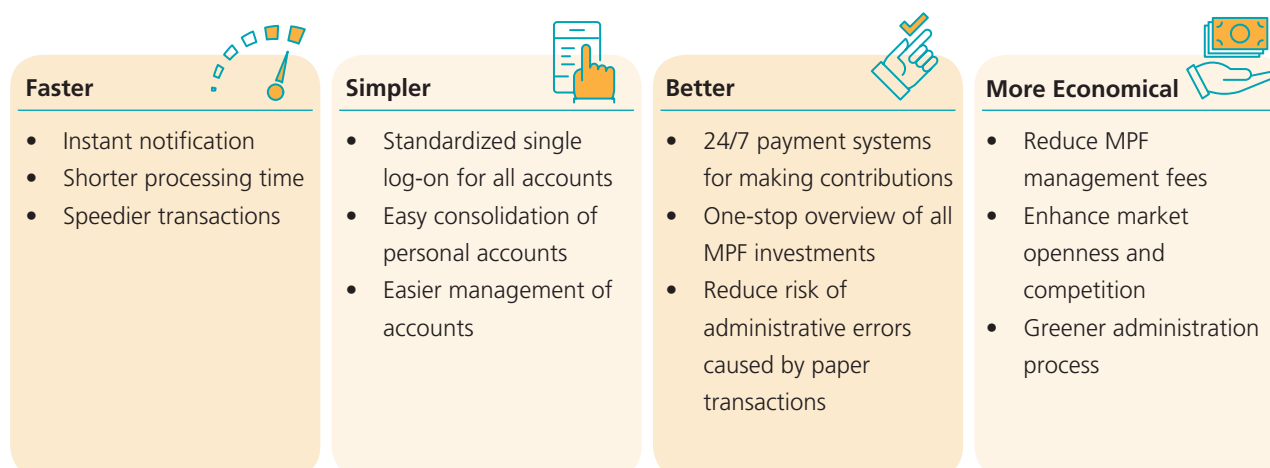
MPFA has set up a wholly-owned subsidiary, the eMPF Platform Company Limited (eMPF Company), to design, build and operate the eMPF Platform. The eMPF Platform aims to re-shape the current MPF scheme administration ecosystem and re-engineer the processes and operations through innovative solutions.

Most Significant Reform of the MPF System To-date



- Not-for-profit public utility increases cost efficiency
- One-stop common platform to standardize, streamline and automate
- Digitalize scheme administration for 4.7 million scheme members with over 10 million MPF accounts and 340 000 employers
- Driver for fees reduction, higher efficiency and better user experience

Benefits of the eMPF Platform



Latest Progress

Project Implementation

MPFA and eMPF Company have been closely supervising the contractor's work in developing the eMPF Platform. There are three main categories of work to be delivered by the contractor:

Category A Software	Category B Hardware	Category C Operation and Service
<ul style="list-style-type: none"> Collection of functional and technical requirements, system analysis and design, and various system development and testing 	<ul style="list-style-type: none"> Setting up and maintenance of both the production and backup data centres for the eMPF Private Cloud ^{Note} 	<ul style="list-style-type: none"> Design and operation of the operation sites including back-end administration offices and frontline service centres which provide on-site services to users

Note: eMPF Private Cloud is the cloud infrastructure including hardware and software dedicated for hosting the eMPF Platform

In 2022–23, work on the hardware and operation components progressed well and deliverables were completed on time, such as the setting up of data centres under Category B and the planning for operation sites under Category C. Regarding the software component under Category A, having designed the system functions of the eMPF Platform, the contractor commenced system development and function testing but did not complete the work by December 2022 as planned. According to the contractor's assessment, system development will be completed in mid-2023 and the overall platform testing in Q4 2023. Yet, the ultimate target of completing the onboarding of all MPF schemes and making the eMPF Platform fully operational in 2025 remains unchanged.

MPFA and eMPF Company have demanded the contractor to implement a recovery plan which was assessed and considered feasible by an independent assessor subject to some control measures taken by the contractor such as commitment of experienced resources and effective project governance and management.

In addition to demanding the contractor to deploy more resources to catch up progress and shorten any delay as far as possible, MPFA and eMPF Company will continue to closely monitor the contractor's progress for project delivery.

Preparation for Onboarding

The transition of all MPF schemes to the eMPF Platform will involve data migration of over 10 million MPF accounts under 27 schemes managed by 13 trustees using different scheme administration systems, without affecting the day-to-day live administration of the schemes. An onboarding sequence of MPF schemes to the eMPF Platform has been set, targeting commencement in the first half of 2024 and completion in 2025.

MPFA takes an active role in ensuring trustees' preparation and readiness such that onboarding is conducted in a timely and orderly manner. A number of dedicated teams have been set up at MPFA to assess trustees' preparatory work for onboarding and supervise the onboarding progress of each trustee. MPFA had issued supervisory letters to all trustees, setting out the requirements on the submission of regular reports and dashboard for monitoring by MPFA. Trustees' preparation is being assessed on the basis of technical milestones set out in individual trustees' migration plans as well as requirements on governance, resources plan and incident management.

As at the end of 2022–23, all 13 trustees have commenced preparation work for onboarding and data migration which involve different procedures including data mapping and extraction as well as various testing. The contractor and trustees are working closely together on a daily basis under the monitoring of MPFA and eMPF Company.

Development of Oversight Framework

MPFA is empowered by the Mandatory Provident Fund Schemes Ordinance (MPFSO) to oversee the operation of the eMPF Platform, including giving eMPF Company directions or instructions that MPFA considers appropriate for safeguarding the integrity and stability of the eMPF Platform.

In this connection, MPFA is developing an Oversight Framework for the purpose of articulating the oversight requirements and providing guidance to eMPF Company regarding its duties and obligations under section 19K of the MPFSO. The Oversight Framework would cover areas including the governance of eMPF Company, system safety, operational efficiency, compliance with the operating rules as well as the processes and approach that MPFA would follow in overseeing the eMPF Platform.

During the development of the Oversight Framework, eMPF Company has been engaged to facilitate its preparation of appropriate policies and procedures so as to fulfil the oversight requirements. The Oversight Framework will be effective once the eMPF Platform comes into operation.

Preparation of Legal Notices

The Mandatory Provident Fund Schemes (Amendment) Ordinance 2021 (Amendment Ordinance 2021), which was enacted by the Legislative Council (LegCo) in October 2021, provides the legal basis for the designation of the eMPF Platform as the common gateway for scheme administration processes in the MPF System.

Under the Amendment Ordinance 2021, the Secretary for Financial Services and the Treasury is empowered to publish notices in the Gazette for:

- (a) designating the eMPF Platform to provide services and facilities to facilitate MPF trustees in performing their scheme administration functions;
- (b) specifying the dates on which an existing MPF scheme must begin the mandatory use of the eMPF Platform; and
- (c) in this connection specifying the dates for the application of statutory provisions in relation to regulation of fees on constituent funds of the MPF scheme.

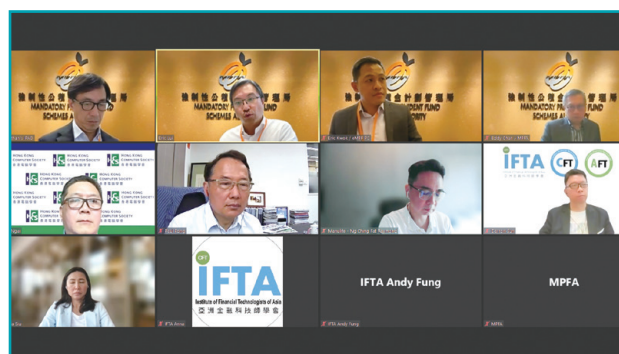
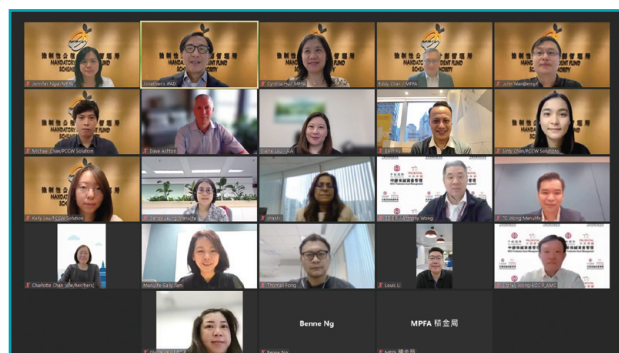
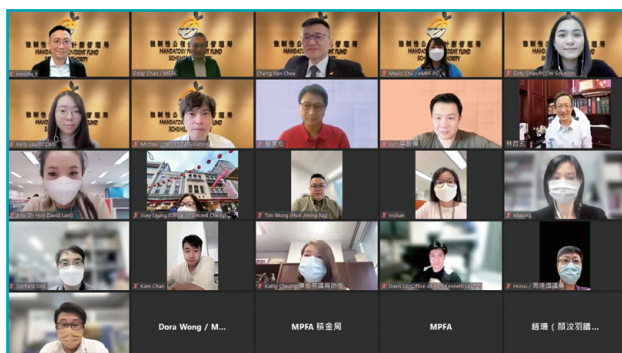
MPFA has been working closely with the Government on the preparatory work for the publication of these notices, which will be subsidiary legislation subject to negative vetting by LegCo.

Stakeholders Consultation Exercise

With a view to perfecting the front-end portal design of the eMPF Platform before the development work is finalized as well as garnering wider public support for the eMPF Platform project, MPFA organized a large scale Stakeholders Consultation Exercise (SCE) spanning eight months with the support of eMPF Company starting December 2021. The SCE was completed in mid-July 2022 with a total of 104 consultation sessions conducted, reaching out to over 3 300 participants of 190 stakeholder groups along the MPF value chain, including employees, employers, human

resources practitioners, self-employed persons, MPF intermediaries, LegCo Members, political parties, professionals, the media, etc.

Around 1 500 comments and suggestions on user experience/user interface and general issues of the eMPF Platform were received. The views and comments were assessed by eMPF Company and the contractor for adoption in the finalized front-end portal where appropriate. MPFA will continue to engage various stakeholders and keep them abreast of the latest developments of the eMPF Platform project.



A total of 104 physical and online consultation sessions with various stakeholder groups were held